



WELLTON-MOHAWK IRRIGATION AND DRAINAGE DISTRICT

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June 23, 2020

Thomas Buschatzke, Director
Arizona Department of Water Resources
1110 W. Washington Street, Suite 310
Phoenix, Arizona 85007

*Re: Request for Consultation on Transfer of 4th Priority Colorado River Water Right
GSC Farm, LLC to the Town of Queen Creek – Rebuttal to GSC Farm, LLC and
Queen Creek Response to Public Comment dated May 7, 2020*

Dear Director Buschatzke,

On May 7, 2020, GSC Farm, LLC and the Town of Queen Creek filed with the Department its response, rebutting all of the negative impacts expressed during the public comment period (the "GSC/QC Response"). On or about May 20, 2020, Wellton-Mohawk Irrigation and Drainage District ("WMIDD") submitted its letter objecting to the GSC/QC Response and asked the Department to disregard it given its failure to comply with the nature of the Department's Substantive Policy. On or about May 22, 2020, the Department denied WMIDD's request that the Response be disregarded but granted it forty-five (45) days to respond and/or rebut the GSC/QC Response.

WMIDD continues to oppose the proposed transfer from GSC Farm, LLC to the Town of Queen Creek and offers the following points in rebuttal to the GSC/QC Response:

I. SUBSTANTIVE POLICY STATEMENT - CR10 POLICY AND PROCEDURE FOR TRANSFERRING AN ENTITLEMENT OF COLORADO RIVER WATER

Pursuant to A.R.S. § 45-105, the Director of the Department is generally responsible for formulating plans and programs for the development, management, conservation and use of surface water and groundwater throughout the State. Consistent with the responsibility, under A.R.S. § 45-107, entities that contemplate transferring their Colorado River entitlements are required to cooperate, confer and obtain the advice of the Director.

As a result of the Department's responsibility and authority, the Department developed Substantive Policy C10 (the "Policy") for transfers of the entitlement of Colorado River water. Pursuant to the Policy, the Director will review any proposed transfer for the purpose of determining the potential impacts caused by any redistribution of water. The Policy goes on to state that "[t]he importance of the Director's review is underscored by the fact that mainstream water is, in most cases, the only dependable supply of water for urban, industrial and agricultural water users located within the accounting surface and floodplain of the Colorado River. Therefore, due to the importance of the distribution of Colorado River water to the welfare and economy of the State, explicit policy and procedures are necessary to ensure adequate and consistent evaluation of any proposed transfer of a Colorado River entitlement."

During the Director's review, the Director is to consider several factors - past and reasonable future quantity of consumptive use of water associated with the entitlement; potential negative impacts to the water supplies of other Colorado River entitlement holders; water quality impacts related to return flows; and other pertinent impacts that could occur as a result of the proposed transfer.

In Section II of the GSC/QC Response, the parties allege that "[i]n all of the comments received opposing this transfer, there has been no attempt to allege negative impacts" relating to what they call "the quantification" of water to be transferred and further state that the comments "asserting negative impacts do not come within any explicit policy guidance" of the Policy. "Quantification" as defined by GSC and Queen Creek relates to the Director's consideration of the potential negative impacts to water supplies of other Colorado River entitlement holders, water quality impacts and other pertinent impacts that could occur as a result of the proposed transfer as described in the Policy.

However, this is simply incorrect. A large number of the comments opposing the transfer clearly allege negative impacts specific to the water supply of other Colorado River entitlement holders and list a number of other pertinent negative impacts that could occur as a result of the transfer.

- The transfer would directly impact the rights of other mainstem 4th Priority entitlement holders, making water that would otherwise be available to On-River users no longer available.
- The transfer would negatively impact the growth and economic development of On-River communities, which are holders of Colorado River entitlements.
- The transfer of this water to Central Arizona will negatively impact power generation at Parker-Davis, which negatively impacts other Colorado River entitlement holders.
- The precedence set by this transfer will inevitably impact the water supply of On-River communities and entitlement holders in the future.

And there are several others. While GSC and Queen Creek may disagree with the negative impacts alleged, the claims of significant negative impacts have been made by several Colorado River entitlement holders in accordance with the Department's Policy and the same should be given equal weight as the contentions made by GSC and Queen Creek.

II. COMMENTS MADE IN OPPOSITION BY YUMA REPRESENTATIVES - WEIGHT AND COMPELLING NATURE OF THE SAME

GSC and Queen Creek have highlighted the comments made in support of the transfer, including the status or title of those making the comments, and suggest focus should be placed on, and weight given to, only those comments. However, the comments made in support of the transfer make up only a small percentage of the total comments submitted (only 16 of the 874 comments). And it should be noted that there were no comments made in support of the transfer by actual residents of the Town of Queen Creek, other than local officials.

In contrast, the comments made in opposition of the transfer make up the majority of total comments submitted (858 of the 874 comments), and the substantive comments made in opposition to the transfer are made by those with status and knowledge, and most certainly those with a more direct and vested interest in the result of this review process.

In their Response, GSC and Queen Creek seem to suggest that the comments made and negative impacts claimed by Yuma are misplaced and irrelevant to the transfer at issue. However, Yuma entitlement holders - its City, irrigation districts and other water users - together, hold the rights to a significant portion of the State's Colorado River entitlement. In considering negative impacts to other Colorado River entitlement holders, the Department, and GSC and Queen Creek, cannot ignore those claimed by Yuma whether the transfer is taking place within or outside of its boundaries.

Further, the comments submitted by Yuma individuals, entities and representatives are significant and meaningful, and are made by those with extensive knowledge of Yuma's issues and potential impacts and significant experience with Colorado River matters. Opposing comments were made by state senators and representatives, county supervisors, city council members, the mayor, several other elected officials (local and State-wide), community leaders, the chamber of commerce, and board members of several of the irrigation districts. These are not just the blanket opinions of everyday residents, but the opinions of those that are well-informed and knowledgeable of the subject matter.

Comments in opposition were also made by similarly knowledgeable and experienced individuals for both La Paz and Mohave counties and Legislative District 5

- state senators and representatives, county supervisors, city council members, mayors and other elected officials and community leaders.

To highlight some of the substantive comments made in opposition to the transfer as described above, the comments - name, title, comment number, and substantive excerpts - have been attached hereto as Exhibit "A" and incorporated herein by this reference, and the makeup of those comments have been further described in Exhibit "B", attached hereto and incorporated herein by this reference.

III. NATURE OF RIGHT TO BE TRANSFERRED AND POTENTIAL PRECEDENCE TO BE SET

In making their original allocations of Colorado River water, the Secretary of the Interior, and the State of Arizona, could not have contemplated that entitlement holders would one day hope to transfer their entitlements for a substantial profit. Original allocations were made to those who had already put the water of the Colorado River to beneficial use or had an immediate need and use for the water. Those allocations were tied to specific points of diversion, lands and uses and contracts for those entitlements specifically detailed the same. The contracts went on further to require that specific steps be taken should an entitlement holder ever want to change the diversion, place or type of use, further supporting the importance of the purposes for those original allocations.

GSC and Queen Creek would have you believe that the right to use of Colorado River water granted to GSC is for GSC to do with it what it wishes, but that is not the case. GSC's entitlement to the use of Colorado River water is limited by the terms of its contract. And GSC and Queen Creek would also have you believe that these types of transfers have been made and should continue to be made for the greater benefit of Central Arizona and the State, but that is also not true. Any and all transfers previously made have been between other On-River entitlement holders, have maintained their place of use, or have simply changed the type of use. None of the transfers previously made have been from the mainstem of the River to Central Arizona, unless the transfers were part of a tribal water rights settlement - transfers clearly distinguishable from the proposed transfer at hand.

Further, GSC and Queen Creek would have you believe that the precedence of this transfer, if approved, is of no consequence to Yuma or the other On-River communities as there are no other pending transfer requests before the Department. However, GSC Farm, LLC and its related entities are in the water marketing business - profiting from water transfers is the core of their business model. Currently, Greenstone (GSC Farm's parent company), and/ or its related entities, reportedly own around 5,515 acres in Yuma County. It only follows that if GSC is successful in making this transfer to the Town of Queen Creek that additional transfer requests will be made, not only for lands located in Yuma, but in all On-River communities. The impacts of this transfer, if approved, are

broad-sweeping and the Department should consider the same when making its decision on the proposed transfer.

IV. PROPOSED TRANSFER'S IMPACT TO POWER GENERATION

The impact to power generation is pertinent to the proposed transfer and should be considered by the Director under the Policy as a negative impact to other Colorado River entitlement holders and those entitled to Project Use Power.

As previously stated by WMIDD, by changing the point of diversion for the water which is the subject of this transfer request, there is a \$5,000.00 per year loss in power generation as the water is no longer delivered through Parker Dam. So long as the transfer is approved, this negative impact to WMIDD and other beneficiaries of Parker Dam generation cannot be mitigated.

GSC and Queen Creek attempt to distract from this actual negative impact by arguing that as a result of WMIDD not using its full entitlement that it too negatively impacts power generation at Parker Dam, but GSC and Queen Creek ignore the distinction between diversions and consumptive use, and the general concept of beneficial use. WMIDD, and other districts in the Yuma area, efficiently and beneficially use their entitlements with actual use determined by economically driven cropping patterns and long and short cycle weather conditions. Yuma area districts do not just run water down the River because they have an entitlement to do so. WMIDD's maximum acreage to which its entitlement may be applied is specified in its Section 5 contract, but it orders water solely based on its intention to beneficially use the water, which is, as GSC and Queen Creek point out in their response, what is required by the District's Section 5 contract. While WMIDD might not consumptively use its full entitlement, WMIDD's diversions on an annual basis are consistent and generally have no impact on power generation at Parker Dam.

As stated by GSC and Queen Creek in their Response, the operation of Reclamation projects is prioritized: first, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic use and satisfaction of present perfected rights; and third, for power. Arguably, operation of Reclamation projects for power, even though third in priority, trumps operation for the transfer of an entitlement from one part of the state to another, and from an irrigation use to a municipal use, for the profit and benefit of two parties, one of which is not even a Section 5 contract holder. The proposed action is clearly absent from the priorities set for the operation of Reclamation projects.

Unlike WMIDD's regular annual operations, the proposed transfer would result in a change of the status quo and standard operations on the River and would cause a

negative impact to and loss of revenue for other On-River entitlement holders and beneficiaries of Parker Dam generation.

V. ANY TRANSFER BY WMIDD TO CENTRAL ARIZONA CANNOT AND SHOULD NOT BE USED AS SUPPORT FOR THIS TRANSFER.

By reference to Comment #300, GSC and Queen Creek discuss the transfer made by WMIDD as part of the Salt River Pima-Maricopa Indian Community Water Rights Settlement and suggest that this transfer is not only a good example of a transfer made from the mainstem to Central Arizona, but also an example of a transfer made without the "floodgates opening" as a result.

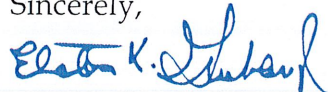
However, the transfer made by WMIDD to Central Arizona was made as part of a tribal water rights settlement, in cooperation with the Secretary of Interior and Bureau of Reclamation, and included Federal debt repayment for WMIDD, a 160-acre limitation exemption, retirement of marginal lands, and the quantification and settlement of its entitlement. It provided much needed water for the settlement of the Salt River Pima-Maricopa Indian Community's claims and fully quantified and settled WMIDD's entitlement. It was so significant in nature that its approval required an act of Congress. There was no "opening of the floodgates" because it did not, and does not, provide a precedence to transfers like the one suggested here.

The proposed transfer provides no other benefit to the State, other Colorado River entitlement holders, or the district in which the lands are located. It is simply the case of an individual landowner looking to transfer its entitlement from the mainstem of the River to Central Arizona for its sole benefit and a profit and return on its investment. Unlike the transfer by WMIDD to Central Arizona as part of the Salt River Pima-Maricopa Indian Community Water Rights Settlement, if approved, the precedence set by the approval of the proposed transfer will most certainly "open the floodgates."

Given the above, and the Department's record to date, WMIDD respectfully requests that the Department deny the proposed transfer.

Thank you for your consideration and the opportunity to respond to the response offered by GSC Farm, LLC and the Town of Queen Creek. If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,



Elston Grubaugh
General Manager

Encl.

EXHIBIT "A"

**Opposition Responses
to
GSC Farm, LLC/ Town of Queen Creek
Proposed Transfer of 2,083.1 af
of
Arizona Fourth Priority Colorado River Water Entitlement
by
Yuma County Officials, Leaders and Individuals**

Opposition Responses

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Yuma County Officials, Leaders, and Individuals
In Opposition

State Legislators - Legislative Districts 4 and 13

Name	Position	Speaker	Written Comments
Sine Kerr (R)	Senator LD 13 Chairman Senate Water and Agriculture Committee Vice-Chairman Senate Natural Resources and Energy Committee		#318

We oppose the proposed transfer of 2,083 .1 af of Arizona fourth priority Colorado River water entitlement to the Town of Queen Creek for the following reasons:

- 1) There is 1,600,000 af, or over 90%, of fourth priority Colorado River water allocated to the Central Arizona Project for the benefit of Maricopa, Pima and Pinal counties.
- 2) The GSC Farm, LLC does not own the water right as a private property right, but instead only has a contract for the water's use on its land in La Paz County with the US Bureau of Reclamation (USBOR). This is not a case of surface water rights that can be severed and transferred as property by ADWR under State Law. Rather, this water is controlled by Federal Law and the USBOR.
- 3) The permanent transfer of water rights or allocation from smaller Colorado River Communities to benefit the Central Arizona service area places our local water supplies and the economic future of our River Communities at risk. This water is the economic lifeblood of La Paz County and the River Communities. (#318)

Lisa Otondo (D)	Senator LD 4 Senate Minority Whip	Phoenix 11/19/20 Yuma 11/21/20	
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Let's be straight. The GSC does not own this water. This is not their right. They have the right to contract this water, but they do not have the right for this subject matter. (Phoenix)

Please, Director, do not accept this proposal. . . . Now, I'd like to point my next comments to Queen Creek. You know, Queen Creek is trying to do the right thing. They're trying to pump less water, and that's commendable. But you have other options. You have other options. Please go somewhere else. (Yuma)

Tim Dunn (R)	Representative LD 13 Chairman House Land and Agriculture Committee Vice-Chairman House Natural Resources, Energy and Water Committee	Yuma 11/21/20 comments read into record	#10 #318
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Name	Position	Speaker	Written Comments
Joanne Osborne (R)	Representative LD 13		#318

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Yuma County Board of Supervisors

Russell McCloud	Supervisor District 2	Yuma 11/21/20	#32
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. . . I implore you to think about the far-reaching impacts. It's not just water. It's people. It's jobs. And those are impacts that need to be thought about as well. (Yuma)

I firmly believe Arizona water policy should consider the needs of all water users and should not be based solely on allocating this scarce resource to just those users willing to pay the highest price. (#32)

Darren Simmons	Supervisor District 3	Yuma 11/21/20	
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Director, thank you for coming out to hear everybody today. I want to make is short and sweet. Don't open this door, because once you open it, you may not be able to close it. We're gonna continue to see these corporations that want to take water away from the river to facilitate their uses and their pocketbooks. I'm sorry. That's what it's coming down to. Don't kill the river communities because, by taking the water, that's exactly what you're doing. You look at the river right now, Lake Mead, Lake Powell, how low they are. Trigger points have already been met along the river where people are already having to cut back. At what point do we say quit taking from us? We're doing our share. They need to do their share. There's other places for them to find water other than trying to come to the river and take it from here. (Yuma)

Marco A. Tony Reyes	Supervisor District 4 Chairman of the Board	Yuma 11/21/20	#34
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I am here to add my voice to that, that says that please do not start this process. Do not allow the water rights to be treated as possessions that can be traded, because they're not. They involve livelihoods. They involve futures. They involve economic development. They involve a lot more than that. And those rights should be protected. (Yuma)

The Yuma region has vigorously defended against attempts to raid and reallocate Colorado River water under similar circumstances as the GSC water transfer and firmly believes continual raids of water rights/allocations reserved to smaller river communities to benefit larger metropolitan areas sets a bad precedent and places the water supplies of rural jurisdictions at grave risk. (#34)

Name	Position	Speaker	Written Comments
Lynne Pancrazi	Supervisor District 5 Former State Senator	Yuma 11/21/20	#35

The water in GSC's proposal is part of the 4th Priority Colorado River Water that was reserved by Arizona through the Arizona Water Commission in the 2070s. This was part of a 164,652 acre-feet (9.89% of Arizona's Fourth Priority Colorado River entitlement) set-aside for the use of on-river, Arizona Colorado River Communities and entitlements. The State of Arizona, through the ADWR, has taken the following position regarding the 164,652 acre-feet (which includes the GSC water): *"it is the Department's unequivocal position that this water is to be reserved for future M&I use along the River. It is not to be considered as supplies available for any other purpose".* (#35)

I'm asking you to please deny this transfer. The Colorado River water is meant to stay with the land that it was designated for, and the implications that will -- are so far-reaching for the future of us in Arizona, us rural Arizonans, if this is allowed to happen. No rural community along the river will be safe from big hedge fund companies coming in, buying up our land, and then selling the water off of it for Maricopa County or Central Arizona or wherever, not even in the State of Arizona. So, for us, this is vital that it be denied and that we are allowed to utilize the water on the Colorado for what its purpose was meant to be. (Yuma)

City of Yuma

Doug Nicholls	Mayor	Yuma 11/21/20
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The City of Yuma has great concern over the precedent that will be set if the proposal to transfer the water from GSC Farms to the Town of Queen Creek is recommended. The preservation of water per original agreements is essential for the economic opportunity and quality of life for all people in Arizona, both urban areas and rural areas. Last night, the city council unanimously passed a resolution opposing this transfer. (Yuma)

Gary Knight	Councilmember	Yuma 11/21/20 as Deputy Mayor	#307
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I'd also like to thank you for upholding the policy as it's been so far, as to keeping the water with the land. I strongly believe that that's exactly the way it should be, and to set the precedence of transferring this water to Queen Creek, as speakers before me have said, would open the flood gates. It would open a totally bad precedence for removing river water and transferring it to within the State of Arizona where that water is not -- where they're not entitled. (Yuma)

I strongly oppose the proposal to transfer Colorado River water from GSC Farm (Greenstone) in La Paz County to the Town of Queen Creek in Maricopa/Pinal Counties.

Gary Knight
Deputy Mayor, City of Yuma
Az. State Transportation Board Member, Dist. 6 (#307)

Michael Shelton	Councilmember	#178
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I oppose the the (sic) proposal to transfer water from GSC Farm (Greenstone) to the Town of Queen Creek. It sets a precedent and opens the door to heartless, all-business hedgefunds buying up 4th priority water rights and selling them to the highest bidder, Queen Creek in this case. NO! (#178)

Name	Position	Speaker	Written Comments
Unanimous Yuma City Council Resolution in Opposition			#14

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Yuma as follows:

SECTION 1: That the City Council of the City of Yuma does hereby oppose the transfer of any Colorado River Water Rights or Allocations Designated, Granted or Leased to GSC Farm, LLC, a Delaware limited liability company in La Paz County, Arizona, to the Town of Queen Creek or any other entity for use in Central Arizona. (#14)

City of San Luis

Maria Cruz	Vice Mayor	Yuma 11/21/20
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As it's been said over and over, we strongly oppose the water transfer, so I'm just gonna be really quick and say we strongly oppose. (Yuma)

Town of Wellton

Larry Killman	Town Manager (former Assistant General Manager Wellton-Mohawk Irrigation and Drainage District WMIDD)	Yuma 11/21/20
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The effects that I see, that are just not obvious to Mr. Gammage, are what are the impacts, the impacts on the river itself and the lack of flows that will continue below Hoover Dam. Mr. Grubaugh mentioned them on the power side, but on the water side, you don't have the return flow credits, either. Every inch and every mile and every foot of the river will be impacted forever downstream. Now, that's social. That's flows in the water, whether it's recreation here in the wetlands at Yuma. But the waterline will change over time, and it will change every year by 2,000 acre feet every year. It's gone. It's not coming this way anymore. It affects the jobs. It affects the school district, the tax bases in La Paz County. Those values diminish. I urge you as strong as I possibly can. I am against this. The town of Wellton, I'm sure, is. But from a heartfelt Yuman that's always been here, don't do this to us. Leave our water alone. (Yuma)

Irrigation Districts and Water User Association

John Nickerson	Board member and former president Wellton-Mohawk Irrigation and Drainage District (WMIDD)	11/20/20
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My name is John Nickerson, and I farm in the Dome Valley. My father-in-law came down here in the mid to late '50s, moving from the City of Tempe. I used to drive cattle between cotton fields right where Interstate 10 is right now, but at that time farmers were moving out of that area there and moving down to the Central Arizona area where they're having all these water problems here now. My father-in-law chose to move down here, and everybody said he was crazy because it was such a desert – desolate area and everything, but it was a very wise decision. I just -- the bottom line is -- my druthers, I would druther that the people look to the Metropolitan Water District, who is taking water out of the Colorado River, taking it over to the oceans where the State of California is dumping millions of acre feet of water a year into the ocean. Thank you. (Yuma)

Name	Position	Speaker	Written Comments
Robbie Woodhouse	Board Member and former President WMIDD	11/20/20	

I'm here to say that I'm 150 percent or more totally against this transfer out of Cibola Valley from GS Farms. Those people like them that came here in those years and people like Jim Cuming's family, that spoke a minute ago, have worked hard to build these farms from raw desert, and now these communities around these farms, like the communities around Cibola Valley down here in Yuma, they began to flourish because the water's here, the farms are here. Business is good. We're concerned in my area, Wellton and East County, Wellton-Mohawk district, that this same group owns several thousand acres of farm ground in our valley, the GSC group and their subsidiaries. It's obvious what they're about. It's obvious that, at some point, if this passes, it sets the precedent that allows them to continue transfers. And we become, these communities and these farms, like a wounded deer when you go deer hunting and you wound that deer and it begins to die a slow and miserable death, because now you're taking away a lot of the basis of what makes that whole community flourish. . . . These people in Central Arizona, as Phil said, have greed and arrogance in the way they come down here into the Colorado River community, starting right now with the La Paz County issue, and want to just walk away with the lifeblood. Please, Director Buschatzke, don't let us become like the wounded deer that I talked about. I'm sympathetic to the problems they have in Queen Creek, Arizona. I read in that one press release that came out, the mayor was talking about how this transfer would help them flourish and become better and secure for future generations, so on and so forth. That's what we've done here. And, without being disrespectful to them, I understand they have problems with the growth up there, but water is a finite resource. They continue to build and build and build. And, honestly, those of us in the Colorado River communities really don't give a damn about what their problems are. Leave our water here. (Yuma)

Elston Grubaugh	General Manager WMIDD	11/20/20	#15
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The math for the Cibola-Queen Creek transfer is much simpler. It only results in a replacement cost of about \$5,000 or about \$500 for the Yuma area. That's not a lot, but it gets to the issue. For every one of those projects, an environmental impact statement was done, and they all said the change in flows are within all normal operating parameters, which means no mitigation is required. Again, in the 30 years, flows have decreased by 25 percent at Parker Dam. I ask, when do these cumulative impacts become significant? It's a question we ask now and a question we'll ask during the Reconsultation for the 2007 Interim Guidelines. (Yuma)

I would suggest that, in light of what you have heard today, this transfer is allowed to go forward, a condition be added requiring that an annual payment be made to **WAPA** for the cost of power to replace the generation lost as a result. (#15)

Jim Cuming	President Yuma County Water Users' Association	11/20/20
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You hear a lot of comment about this water, and it's a hard call. But, you know, when you buy property and you buy property for one reason and that's to transfer water – GSC has a contract for irrigation purposes. To me, that means that that water stays on the river for irrigation purposes. It's not to be transferred to a city to grow and prosper while people along the river sit here and die and struggle because they're drying up. I feel for Queen Creek, but they have a lot of farmers up there. They're developing their land into houses. Maybe they could only put two houses on an acre instead of ten. I don't know what the answer is. But to open this thing up, transfer this water, where is it gonna stop? Once you do it once -- and it's my understanding GSC owns property -- other properties in the Yuma area. If they transfer this first one, what's gonna stop them from transferring every one that they have and take this community down, take the economy out of this community and send it to Phoenix or to Maricopa County or wherever they send it? I think you need to take a hard look at what you're doing to Arizona and to the farming communities along the river. We've been here a long time. We intend to stay. We have a great community, and we have a tremendous business down here, and I would hate to see it dwindle away because money runs the organization. Water runs uphill to money. (Yuma)

Name	Position	Speaker	Written Comments
Rex Green	General Manager Yuma Irrigation District		#756 #837

I am opposed to the proposal to transfer water from GSC Farms (Greenstone LLC) to the town of Queen Creek. (#756)

I am opposed to the proposal to transfer water from GSC Farms (Greenstone LLC) to the town of Queen Creek.
Rex C. Green, Manager, Yuma Irrigation District (#837)

Yuma County Leaders, Authorities, and Entities

John Courtis	Executive Director Yuma County Chamber of Commerce and for The Yuma Crossing National Heritage Area		#172 #173 #483
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I'm the executive director of the Yuma County Chamber of Commerce representing over 800 businesses and their 25,000 employees. People talk about the lifeblood. What is this lifeblood? What exactly does that mean? Several years ago, the University of Arizona did a study, and they called it "The Location Quotient." And what they did is they studied areas in the highest industry and how it affected their locale; cars to Detroit, technology to the Silicon Valley, agriculture to Yuma County, et cetera. About 30 parameters they tested all over the country. We talk about the agriculture in Yuma County being a \$3.5 billion-a-year business. Okay. I've never seen \$3.5 billion, so that's not a big wow. But The Location Quotient said that Yuma's agriculture -- agriculture in Yuma County is twice as important as wine is to the Napa Valley. I've seen a bottle of wine, so that gives me a big wow. But you think -- The Location Quotient was 25, which means that 25 percent of our industry in all of Yuma County is dependent on agriculture, and I would submit it's probably higher than that. Someone recommended earlier that property rights are being trampled. I'm a big fan of property rights, but I'm also a big fan of the intent and the content of the law of the river. I think we have to go back and look at the intent and content of the river compacts and abide by those. And, please deny this request. (Yuma)

I oppose the proposal to transfer water from GSC Farm (Greenstone) to the town of Queen Creek. (#172)

I am the Executive Director of the Yuma County Chamber of Commerce, representing over 800 members and over 24,000 workers in Yuma County. A recent study indicated that Agriculture is twice as important to the economy of Yuma County as wine is the (sic) Napa Valley. Over 24% of those 24,000 workers depend on agriculture for their jobs. This water transfer sets a dangerous precedent and jeopardizes the future of the river. I believe in the law of the river. No water, no ag, no Yuma. We oppose the proposed transfer of water from Greenstone to the Town of Queen Creek. (#173)

FROM THE YUMA CROSSING NATIONAL HERITAGE AREA: We are opposed to the proposal to transfer water from GSC Farms (Greenstone LLC) to the town of Queen Creek. (#483)

Julie Engel	President/CEO Greater Yuma Economic Development Corporation		#651
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I am writing to express my strong opposition to the GSC Farm, LLC's (GSC) proposal to transfer 2,083.1 acre- feet of Arizona's fourth priority Colorado River water used in La Paz County to the Town of Queen Creek (Queen Creek) via the Central Arizona Project Canal system. . . . I firmly believe Arizona water policy should consider the needs of all water users and should not be based solely on allocating this scarce resource to just those users willing to pay the highest price. . . . For these reasons, I officially oppose the transfer of any Colorado River Water Rights or Allocations Designated, Granted or Leased to GSC Farm, LLC, a Delaware limited liability company in La Paz County, Arizona, to the Town of Queen Creek or any other entity for use in Central Arizona. (#651)

Name	Position	Speaker	Written Comments
Ron Rice	Officers and Directors		#76
Albert Gardner	Yuma County Airport Authority (YCAA)		
Linda Morgan	Signatories		
Eric Saltzer			
Russell Jones			
Dr. Brian Cullen			
Jonathan Matheus			
Randall Nelson			
Stanley Gourley			
William Craft			
William Fox			

The State of Arizona, through the ADWR, has taken the following position regarding the 164,652 acre-feet (which includes the GSC water): ***"it is the Department's unequivocal position that this water is to be reserved for future M&I use along the River. It is not to be considered as supplies available for any other purpose"***. (emphasis in original) . . . Queen Creek has many other options to address its water needs which do not punish Colorado River Communities for their sound water stewardship programs. These include (1) undertaking conservation efforts similar to ones taken by La Paz County water users to create a water reserve; (2) obtaining a water transfer from the Harquahala Basin; (3) obtaining water from the Central Arizona Groundwater Replenishment District; (4) obtaining water from the Gila River Indian Community; (5) obtaining water from the Colorado River Indian Tribes; and (6) obtaining water from other Central Arizona Water Entities. . . . For these reasons, the YCAA officially opposes the transfer of any Colorado River Water Rights or Allocations Designated, Granted or Leased to GSC Farm, LLC, a Delaware limited liability company in La Paz County, Arizona, to the Town of Queen Creek or any other entity for use in Central Arizona. (Signed individually) (#76)

Other Community Leaders

Russell Jones	Secretary YCAA Chairman Arizona Power Authority Former Chairman House Water and Agriculture Committee	Yuma 11/21/20
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The Colorado River is everything to La Paz County. It's either for recreation or it's for farming. Both provide employment. So the first reason is: This is an economic input, this water, that creates jobs and wealth in La Paz County. Once you remove it, it's gone forever. That wealth that it creates is gone forever. The tax base is gone forever. You have a short-term infusion of cash. After that, nothing. So if you look at the economic viability of La Paz County, this is an incredibly poor precedent, and I see no redeeming values to it for the greater population of that county. The other reason I'm opposed to it is -- just about 40 years ago, the legislature in the State of Arizona, its representatives, re-created (sic) the Ground Water Act. They were very wise in doing so because it prevented this kind of economic raping and pillaging from going on with respect to our ground water in the State of Arizona, and it served us very well. When I was in the legislature, I strove to keep that sacrosanct so that people would have stable, predictable, planned growth in Arizona, and that's been -- it's been very successful. There's others here, more expert than I, that will tell you the same thing. You have an opportunity to not only not permit a poor precedent; you have a great opportunity to set a good precedent, in that, even though you're not subject to the Ground Water Act, you will treat the Colorado River water in the same manner so that the water flows in stage with the land and the economic benefit remains within that community. I'll close with a really quick anecdote. When I first became chairman, I was invited to a lunch by the Central Arizona Project folks. I'm not gonna name any names because of what happened. The first thing I said is "We're not gonna talk about Colorado River water, and we're not gonna talk about changes to Ground Water Act. So what else do you want to do besides have lunch?" It was silent. At the end of the lunch, I was told by one of the folks that "Don't worry. When we want your water, we have enough money and power. We'll take it." And we're here. (Yuma)

Name	Position	Speaker	Written Comments
Phil Townsend	President Yuma Union High School Governing Board	Yuma 11/21/20	

If you have something of value, there is always someone out there who wants to take it from you. This is especially true in the Desert Southwest of our water. So here we are again. A wealthy East Coast hedge fund buys up some of the most productive farm land in the world, believes that the water associated with the land is the next oil boom. Then you have rapidly growing cities in Central Arizona that don't have the infrastructure or water to sustain their projected growth, so they go for the easy and cheap fix: Colorado River water. Except they forgot to read the rules. GS Farms, Greenstone, the wealthy hedge fund, doesn't own the water. It only has a contract for its use. This water is controlled by federal law and U.S. Bureau of Reclamation. You cannot sell what you do not own. Historically, it's been Arizona's position that it is the Department's unequivocal position that this water is to be reserved for future M&I use along the river. It is not to be considered as supplies available for any other purposes. In other words, the rights to this water from the Colorado River have been given to the users along the river for specific intended uses, not to sell or transfer. Have established rights, priorities, and uses for ground water -- or water from the Colorado River. This has created a good balance, and this should not be changed. There are several other legal and viable options for these communities to obtain the water they need now and into the future. The greed and arrogance shown by those in Central Arizona, that their communities, their industries, their way of life are more important than ours, those of us that live and work in rural Arizona along the Colorado River, is appalling and disgusting. The communities of Central Arizona need to learn to live within their means. The communities and farms along the Colorado River have been excellent stewards of their water resources. We have lived within our own means and improved or consumptive efficiency. (Yuma)

Paul Muthart Transcript error "Muteheart"	General Manager Pasquinelli Produce	Yuma 11/21/20
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I am not sympathetic to the Town of Queen Creek. I love humanity, but I'm not sympathetic. If their concern is tomorrow's house, tomorrow's resident, if it means risking what we've been doing here in Yuma for 100 years, I don't have that sympathy. So I've recently become aware of this term "existential threat" when dealing with national news, and I've come to understand that an existential threat is a threat from the outside to where you are, and I consider the movement of this La Paz County question as an existential threat to Yuma, meaning that what might happen in La Paz County could negatively affect what happens here in Yuma. So Pasquinelli Produce and everyone who works there is opposed to this water transfer. (Yuma)

John Boelts	1 st Vice President Arizona Farm Bureau	Yuma 11/21/20
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I rise in opposition in hope that the director will oppose and recommend opposition to this with the Bureau of Reclamation. Principally, I'll quote our Arizona Farm Bureau policy. That is that we are opposed to transfers of this kind. Transferring water, buy-and-dry type of a posture, is bad Arizona policy. Looking back to one of Director Buschatzke's predecessors, Herb Gunther, directing this department, led a study to look over the state, break it up into small regions, small basins, and looked to help those areas find ways within their own basin to develop their water resources and live within their means. I think that's key and important. The future of Arizona agriculture is absolutely dependent on farmers having water. We adamantly support water and water rights and the use of farmers in the Cibola area, as in all other areas of Arizona, to continue to use water to grow food and fiber for our nation. That's what the water was granted as an entitlement for, and we'd like to see that continue and support those in the strongest terms. So, again, we recommend opposition to this, and thank you guys for putting on this meeting. Arizona agriculture is a \$23 billion industry. It's an important part of our economy in every respect, particularly in rural Arizona, and we look forward to submitting our written comments as well. (Yuma)

Myrle Marlatt	Secretary Yuma County Farm Bureau	Yuma 11/21/20
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This last -- a few weeks ago we had our Arizona Farm Bureau convention, and Yuma County proposed in there to support the Harquahala project, so we support good water ideas that don't hurt the area they're coming from. This would be something that would hurt the chances especially for any future development in La Paz County, and just the whole idea is -- to me, they need -- in Queen Creek they need to look in places that don't hurt the areas that they're getting the water from. (Yuma)

**Mohave County Officials, Leaders and Individuals
In Opposition to the
GSC Farm LLC/Town of Queen Creek
Colorado River Water Transfer Application**

Mohave County Officials, Leaders and Individuals in opposition to the GSC Farm LLC/Town of Queen Creek Colorado River water transfer application.

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Mohave County Officials, Leaders and Individuals
In Opposition to the
GSC Farm LLC/Town of Queen Creek
Colorado River Water Transfer Application

Name	Position	Speaker	Written Comments
Mohave County Board of Supervisors			
Gary Watson	Supervisor District 1	Phoenix 11/19/20 Parker 11/20/20	#02 #05

Mohave County opposes a transfer of 4th priority Colorado River water. It's already been allocated to communities along the river for use up and down, north and south on the river corridor. It is the transfer of the water away from this mainstream, east or west of the river, that Mohave County must oppose by all means and also as long as it takes. (Phoenix)

The only thing I have for you this morning or this afternoon is one is a resolution from the County Supervisors Association. That association represents every county in Arizona, and the other resolution I have is from Mohave County, which unanimously adopted a resolution that will be opposing the permanent transfer of 4th priority Colorado River water and transferring it to the -- Maricopa, Pinal and Pima, and with that I'd like to thank you very much. (Parker)

. . . the water Greenstone seeks to transfer is the economic lifeblood of our River Communities. It is our very future and Greenstone seeks to wheel it to far wealthier communities for their own benefit. Our citizens demand that we protect their interests and oppose this action by all means. This lost economic opportunity can never be recovered. (#2)

GSC does not have Arizona surface water rights that can be severed and transferred as property by ADWR under Arizona Law. This water under contract is controlled by federal law and BOR and, since 2005, it has been clear law in Arizona that no one, including individual farmers, owns or has vested rights in 4th Priority Colorado River Water. In Maricopa-Stanfield v. Robertson, 123 P.3d 1122, 211 Ariz. 485 (Ariz., 2005) the Arizona Supreme Court ruled against individual agricultural landowners that asserted that they had "vested rights" to Colorado River water in a dispute with their irrigation district that involved CAP 4th Priority Colorado River Water. The Arizona Supreme Court ruled against the farmers in part because the Boulder Canyon Project Act (BCPA) in Section 5 states "that 'no person shall have or be entitled to have the use' of such water except by a contract with the Secretary." Robertson at 11. GSC's contract dictates where and for what the water can be used. If GSC no longer needs the water, BOR, not GSC, decides who get the water next. (#5)

Hildy Angius	Supervisor District 2 Board Chairman	Bullhead City 11/20/20	#06
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As a matter of public policy, Mohave County opposes the transfer of 4th priority Colorado River water that has already been allocated to communities along the river away from the main stem of the river for use in Central Arizona. It is the transfer of this water away from the main stem of the river that Mohave County must oppose by all means and all forms and for as long as it takes. The damage this transfer will cause for the people of my district and inevitably all of rural Arizona if it goes through, is the wealth produced by this water through economic development will be generated in Central Arizona. That water is the economic life blood of the river communities and once it is gone, it will never return. (Bullhead City)

You may ask the value of this water to our River Communities? The Town of Queen Creek has answered that question in their Press Release of August 1, 2019 in which they value this water at \$307.7 million of annual economic impact in Central Arizona. That is wealth that will eventually, not tomorrow, be generated right here in the River Communities- it cannot be transferred away from the River. This \$307.7 million dollars of annual wealth is the value of this water and it cannot leave the River Communities. (#6)

Name	Position	Speaker	Written Comments
Jean Bishop	Supervisor District 4	Bullhead City 11/20/20 Yuma 11/21/20	#07 #16

Some of the reasons for this opposition, first off, Mohave County opposes diversion of fourth priority water from the Colorado main stream to Central Arizona because this water was long ago reserved for use by the river communities. Again, refer to my written comments. Arizona specifically reserved 164-plus (sic) acre feet -- that's 9.89 percent of Arizona's fourth priority river entitlements -- for on-river entitlements to Arizona's Colorado River communities. To be clear, these Central Arizona communities were allocated over 90 percent of the fourth priority water made available to Arizona. This department, speaking for all of Arizona, has taken the position that "It is the Department's unequivocal position that this water be reserved for future M&I use along the river." This reservation of water is also recognized in the master repayment contract between the Department of Interior and CAWCD and its amendments. . . . Second, there exists today other sources of water that are available to Queen Creek to provide water from Arizona's urban growth. Some examples are: The Harquahala Basin offers water that can be obtained and transferred today to Queen Creek; and, also, CAGR is available today for development in Queen Creek; and, also, the Gila River Indian Community water is available to any entities to lease that water. And, third, as you've heard from my colleagues, the water Greenstone seeks to transfer is the economic lifeblood of our river communities. It's our future, and Greenstone seeks to wheel it to far wealthier communities their own benefit. Our citizens demand that we protect their interest and oppose this action by all means. (Yuma)

Also, GSC does not have Arizona surface water rights that can be severed and transferred as property by ADWR under Arizona Law. This water under contract is controlled by federal law and BOR and, since 2005, it has been clear law in Arizona that no one, including individual farmers, owns or has vested rights in 4th Priority Colorado River Water. (#7, #16)

Ron Gould	Supervisor District 5	Bullhead City 11/20/20
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I don't know how many of you ever watched the show Cadillac Desert. Well, Cadillac Desert is about the City of Los Angeles taking the water from the Owens Valley in California and how it dried up farming and dried up their economy in that area. So I ask you please don't transfer this water to the Phoenix area and make Mohave County Arizona's version of the Owens River Valley. (Bullhead City)

Mohave County Board of Supervisors

#314

First, the water Greenstone purports to transfer to Central Arizona will never return to develop La Paz County and it represents the economic lifeblood of La Paz County and the River Communities. And yet Central Arizona has already received 10 times the amount of Colorado River water the River Communities did in the 1970s. Except for that small reservation for the River Communities of 164,652 acre-feet of 4th Priority Colorado River water, Central Arizona received all of Arizona's remaining Colorado River entitlement- about 1.6 million acre-feet. Moving the Cibola water defeats the purpose for which it was reserved: to provide water for future municipal and industrial users along the River -just as DWR confirmed in its famous 1990 letter that we discuss below.

Second, somehow Central Arizona citizens believe that they are more deserving of this water, or somehow "better than" the River Community citizens. There can be no better proof that the Town believes their citizens are "better than" the River Community citizens than their letter comparing the economic gain they seek, and what the Town seeks to "leave behind" for La Paz County.

In Greenstone's joint undated letter with GSF to Mr. Craig Sullivan, Executive Director of the County Supervisors Association (CSA), the applicants explain their motivation on page 4: Annual State Shared Tax Revenues from this water to the three Central Arizona Counties will be \$4,456,000 and La Paz County will be left with: \$12,000 per year.

That result cannot be the policy of the State of Arizona and surely that is not the policy of the Department of Water Resources that long ago reserved water for the River Communities in Western Arizona. (#314 cover letter)

Name	Position	Speaker	Written Comments
Patrick Cunningham	HighGround Public Affairs, Mohave County and Mohave County Water Authority	Bullhead City (11/20/20), Parker (11/20/20)	

First of all, we think that the Harquahala Basin is a transfer basin. The legislature made it a transfer basin way back in 1991. It could have million acre-feet. It could have 40 million acre-feet, depending on who you believe, and it is a place where a political subdivision like Queen Creek could buy land or buy credits, put the water in the canal and move that water on a permanent basis to their -- to their town. (Bullhead City)

And then there are all of Wade's districts. Wade's districts went out the door with Wade when he left today, but let me just say on their behalf if we allow this sale, then those districts are next in line. And the highest bidder is not in Queen Creek. It's in Los Angeles. Water on the river can go up and down, north and south. Yes, Mohave did transfer water up. Ehrenberg did transfer water up, and we salute those transfers using water up and down the river, but the water can never go east and west. And if you open this market, Queen Creek will not be the winning bidder. Los Angeles will be the winning bidder. They have 19 million rape (sic) payers. And judging by the Lakers, they know how to write checks. We oppose this. (Parker)

Mohave County Water Authority

Mark Clark	Chairman Mohave County Water Authority Councilman, Bullhead City	Bullhead City 11/20/20 Parker 11/20/20	#09
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Yesterday the Bullhead City Council passed Resolution 2019R-49 opposing this transfer. And on December 17th, 2018, the Mohave County Water Authority passed a similar resolution opposing this transfer. And, in fact, in -- next month the Mohave County Water Authority will take this up again and pass another resolution, a little stronger resolution in opposition to this transfer. I want to make our policy position perfectly clear. We oppose the proposed permanent sale and transfer of any 4th priority water off the river to Central Arizona. (Bullhead City)

I am in opposition to this. Mohave County Water Authority is in opposition to this, and the City of Bullhead City is in opposition to this. . . . A farmer back here mentioned earlier that Mohave County transferred water up from Cibola a few years ago. We did. Those kinds of transfers were great for the river communities because we share, but that water needs to be used on the river. There are entities on the river that need additional water supplies. (Parker)

The transfer will negatively impact other Fourth Priority mainstem entitlement holders because there is no other water source available for future Municipal, Industrial and Agricultural uses along the Colorado River. I repeat, mainstem users have NO alternative sources of water. There are NO in state streams, there is NO groundwater, there is only the small amount of 4th priority water for the river communities for our future economic growth. This lost economic opportunity can never be recovered. (#9)

Name	Position	Speaker	Written Comments
Jamie Kelley	General Counsel Mohave County Water Authority	Phoenix 11/19/20 Bullhead City 11/20/20 Parker 11/20/20	#310

As a resident of a on-river community, I believe this proposed transfer is a threat to the life of rural on-river communities, but I think it's important to note that 4th priority Colorado River water is not the same as other surface water in Arizona. Colorado River water is not subject to private ownership like other surface water in Arizona. An entitlement contract under Section 5 for the use of 4th priority water is the contractual right to use a defined amount of water on a defined area of land. It is not a private property right. It is the right to use the water. (Phoenix)

We disagree with the proponents of the transfer that it is sound water management policy to transfer water from on-river communities, that only have 4th priority water, to Central Arizona. That prioritizes growth in Central Arizona at the expense of the river communities, and that simply is bad policy. (Bullhead City)

You can only use 4th priority water pursuant to a Section 5 contract. This water -- or the contract creates a use-of-right right, the right to use the water on a defined area of land for a defined purpose. The contract or the water is not freely fungible, as Mr. Curtis would have you believe, because there's a transfer process and the transfer is restricted by the contract. And in this particular contract at Paragraph 36, it states that GSC Farms has no right to receive any benefit from the water other than the right to use the water, and that's how Section 5 contracts are viewed. (Parker)

No portion of the reserved 164,625 AF of 4th priority water has transferred off the mainstem to Central Arizona. Nor should it. Public policy dictates that the reservation of the 164,625 AF be respected. Colorado River water represents the only source of dependable water supply available to river communities. Most, if not all, of the river communities are within the accounting surface of the Colorado River.

In the Request for Consultation, the stated purpose for the proposed transfer is to provide the Town of Queen Creek with a renewable source of water for future growth. No need, current or future, for the water is stated. In fact, Queen Creek expressly states it has sufficient groundwater for its future needs.

This transfer is motivated by greed, not need. The Town of Queen Creek has adequate water for its anticipated growth. The Town of Queen Creek commissioned an economic study to justify the transfer. The study projects the transfer will generate an estimated economic infusion of \$307 million in economic activity from resident spending annually in Central Arizona post transfer. In terms of tax and state shared revenue, the Town of Queen Creek, at buildout, will generate an estimated \$11,140,000 from the water while only \$12,000 is estimated to be generated in La Paz County. Those numbers do not seem to reflect a transaction beneficial to La Paz County. Growth in Central Arizona should not be permitted to occur at the expense of smaller, rural communities. To do so would likely mean the end of thriving rural Arizona river communities. (#310)

Name	Position	Speaker	Written Comments
Ryley Carlock & Applewhite	Attorneys for Mohave County Water Authority		#284 #806

It has been a fundamental cornerstone of Arizona water policy for the past half century that a balance must be maintained with regard to the allocation of Fourth Priority water entitlements between the Colorado River communities and those of Central Arizona. When the Central Arizona Project ("CAP") was authorized by state and federal legislation in the late 1960s and early 1970s, it became necessary to determine how water allocations conferred under this new system would be apportioned, as the thirst of Central Arizona's urban and agricultural interests had the potential to literally drain dry the rest of the State and return it to the status of a desert wasteland, in contravention of the very purpose and intent of the entire prior century's reclamation efforts. This is especially true in light of the well-worn Arizona adage that "water flows uphill to money," as the River communities will likely never be able to out bid their richer Central Arizona counterparts if forced into the position of competing financially for these scarce water resources.

To avert this danger, Arizona, through the Department, made it clear that a certain portion of the mainstem, or on-River, Fourth Priority Colorado River entitlements were to be specifically allocated and reserved "for municipal and industrial uses along the river. . ." . . . In fact, the Director of ADWR in 1990 advised the BoR that **"it is the Department's unequivocal position that this water is to be reserved for future M&I use along the River. It is not to be considered as supplies available for any other purpose."** . . . The 1990 Letter recognized that "[t]he increased quantity being recommended [for allocation] is part of the 164,652 recognized in the Central Arizona Project Master Repayment Contract as being available for contracting along the river." (#284)

Some of the submissions in support of the Proposed Transfer also erroneously suggest that GSC's contractual water allotment is a form of "property" that GSC is entitled to sever and sell at its discretion. These assertions are specious, as it is well-established that the rights obtained by those who contract with BoR. for allocations of 4th Priority Colorado River Water pursuant to Section 5 of the Boulder Canyon Project Act of 1928 are simply contractual rights to the use of a defined quantity of water in a specified area for a defined purpose. In fact, Section 5 of the Act states that, "... the Secretary of the Interior is hereby authorized, under such general regulations as he may prescribe, to contract for the storage of water in said reservoir and for the delivery thereof at such points on the river and on said canal as may be agreed upon, for irrigation and domestic uses . . . No **person shall have or be entitled to have the use for any purpose of the water** stored as aforesaid **except by contract** made as herein stated." 43 USC § 617d. (Emphasis added.)

The Act does not allow for the transfer of ownership to 4th Priority Colorado River Water to private users. In fact, the contracts entered into by the Secretary are subject to periodic review and cancellation if the water allocated thereunder is not being put to beneficial use; including the contract that GSC is proposing to transfer to the Town, which is subject to review every five years, and cancellation or reduction if the allotment is not being used.

The notion that GSC has a property right in the water it proposes to transfer is absolutely groundless. GSC has the right to use its water allocation in connection with its property, for so long as it complies with the terms and conditions of its contract with BoR. Its effort to arrogate that contract right into a right of ownership is contrary to law and cannot be condoned. (#806)

Name	Position	Speaker	Written Comments
Maureen George	Former General Counsel Mohave County Water Authority		#45

9) Negative Impact on Statewide Cooperative Efforts in Guiding Arizona Water Policy This proposed transfer if approved would open the door to other off River transfers. Approval of this transfer would jeopardize years of statewide cooperation on water resources issues and return Arizona to the days when its resources were at risk of being raided by out of state parties due to in state feuding. Recent decades have resulted in many successes for these statewide efforts, e.g. the Interim Surplus Guidelines, MSCP, The AWBA, and AWBA's firming programs, Arizona Shortage Sharing, and the recent DCP process. It makes no sense to put this process at risk when there are other options available which would not trigger a lengthy and significant in state conflict.

As a concerned citizen of Arizona, long time student of the Colorado River, and for the reasons listed above, I submit this letter in opposition to the proposed GSC Farm, LLC transfer to Queen Creek. (#45)

City of Kingman

Jen Miles	Mayor	Bullhead City 11/20/20
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I'm here representing the entire Council and the resolution that we passed last evening opposing the transfer of this 2,083.1 acre-feet of 4th priority water from La Paz County to the Town of Queen Creek. Kingman is a city that relies on groundwater. We do not draw from the Colorado River; however, we are here to support what we call the on-river communities because we are a region. Our region grows together and we work together as three -- three major cities in Mohave and with our partners in La Paz. I think it's been well stated that the transfer of this water sets a precedent that is unacceptable. Our economic vitality and growth depends on water. And we are growing, as I said, and we are growing in a way that is going to enrich not only our region but the whole state of Arizona. (Bullhead City)

Travis Lingenfelter	Vice-Mayor	Bullhead City 11/20/20
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This is not a precedent that should be set. And Kingman, Arizona stands with our partners in the river communities against this, and we will stand against water transfers outside of Mohave County for as long as it takes. (Bullhead City)

Lake Havasu City

Cal Sheehy	Mayor	Parker 11/20/20
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Lake Havasu City has plans for growth and development that are 5 years, 10 years, 25 years, and 50 years out, and they're outlined in our Lake Havasu City General Plan that was adopted by our voters in 2016. We need to protect our water entitlements to see if these plans come to fruition. Unlike the Central Arizona communities, Lake Havasu City and the river communities lack alternate sources of water. Water is essential for our continued economic vitality and growth. We cannot afford to be hindered because other communities need additional water resources. . . . Lake Havasu City is opposed to any permanent water transfers from the Colorado River. (Parker)

Gordon Groat	Council Member	Parker 11/20/20
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But the moral of the story is we have a huge water shortage in this area, and we deserve the right to grow. We deserve the right to prosper as our Chamber representatives have said, and we don't think it's a good idea to transfer water, so I'm in opposition. (Parker)

Name	Position	Speaker	Written Comments
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Bullhead City

Tom Brady	Mayor	Bullhead City 11/20/20	
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. . . I just want to go on the record that Bullhead City Council and the Mayor of Bullhead City are opposed to any transfer of Colorado River water.

Mark Clark	Council Member Chairman Mohave County Water Authority	Bullhead City 11/20/20 Parker 11/20/20	#09
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See Mohave County Water Authority above.

Other Leaders

Lois Wakimoto	Bullhead City Water Advisory Council Former Mohave County Supervisor	Bullhead City 11/20/20	#08
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To be clear, I oppose the proposed transfer and ask you to oppose it and recommend it against – recommend against the approval by BOR. . . . So what is good for us in this area, as we learn from Central Arizona, is that he who has water wins. We've learned that from Central Arizona. We want to win. We want to keep our water. And taking any part of the 164,000 acre-feet of 4th priority water from this area means less development, less economic growth and reduction of agriculture. (Bullhead City)

We are aware that this is the first of many transfers that some parties are planning to transfer water from Mohave, Yuma and La Paz Counties to Central Arizona. In short, I oppose all such transfers, and on behalf of my family, I must advise you that we will oppose these transfers in all forums, by all means, for as long as it takes. As I review these proposed transfers I feel like I am in the movie Chinatown - are we really replaying the Owens Valley transfers in California, where their water was taken by Los Angeles? Surely we are not sacrificing Mohave County and La Paz County citizens and taxpayers to benefit taxpayers in Central Arizona who have somehow been judged "better" than our citizens and taxpayers. Or are we? (#8)

John Pynakker	President and CEO - Bullhead Area Chamber of Commerce	Bullhead City 11/20/20	
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I represent 617 businesses and over 13,000 employees of these companies. Companies located in my area including -- include the on-river communities of Bullhead City, Laughlin, Fort Mohave, Mohave Valley and Needles, and we oppose the transfer of 4th priority water from any on-river community to Central Arizona. (Bullhead City)

Mike Bonney	Lake Havasu Area Chamber of Commerce Lake Havasu Hospitality Association	Parker 11/20/20	
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Approval of this transfer will set a dangerous precedent for future water transfers. The river communities need the water for future economic development and growth. Far more than 2,088 acre-feet of water are at risk here. The economic vitality, stability and sustainability of river communities including Lake Havasu City are at stake as -- and are determinate on maintaining the status quo. On behalf of Lake Havasu Area Chamber of Commerce, I respectfully request this agency deny the transfer, . . . (Parker)

Name	Position	Speaker	Written Comments
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Dan Oehler	Attorney and Developer	Bullhead City 11/20/20	
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The law, I believe and as I see it, is really based on precedence, and what we're looking for here with this issue is creation for bringing about a precedence, and I think it is a very negative one for our community. Our company has developed something in the range of a thousand residential lots in this area since -- since I've been here. And there are thousands more yet to develop for the benefit of our community, and we can only do that with water. So the only dependable supply of water is the Colorado River. I will tell you unlike Queen Creek, unlike Maricopa County, unlike Pima County, we have no groundwater in our community of Bullhead City or along the river. We do not have a drop as Mark Clark indicated to you. Our only supply, our only supply is the Colorado River. We need to retain that supply of river for the benefit of this community -- (Bullhead City)

Larry Morse	Civil Engineer UofA Hydrology degree	Bullhead City 11/20/20	
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It just -- it just -- it befuddles me, you know, in working this -- and we've worked with -- with groundwater issues and -- and surface water issues for -- forever around here. As a matter of fact, we're instrumental in helping Bullhead City obtain their last allocation, not -- or the last allocation from unallocated water in the United States or in the Colorado River. During my course work, one of the most influential courses that I had dealt with the Owens Valley and what -- the progression that happened with that when water was taken away from one area and wholly transmitted to another area, basically drying it up almost completely. (Bullhead City)

Sandy Morse	Engineer UofA Master's degree Soil and Water Science	Bullhead City 11/20/20	
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I oppose the transfer of water, and I want to address a couple of issues. About -- one about the low-value crops that they say that the farmers are growing these days. Mohave Valley in the past has used crop rotation and did cotton, alfalfa and then some grain crops. Well, with the advent of the purchase of all the water rights, most of the farmers in a lot of the allocated areas are no longer farming, and we find that a lot of them don't want to farm anymore, and they plant low-value crops like alfalfa, and that's all they grow out here because it's high water use. . . . I have a -- a quote here that I had found. "The price that society has to pay for food is the water and the land required to produce the crops needed for food. There is no other choice." (Bullhead City)

**La Paz County Officials, Leaders and Individuals
In Opposition to the
GSC Farm LLC/Town of Queen Creek
Colorado River Water Transfer Application**

La Paz County Officials
In Opposition to the
GSC Farm LLC/Queen Creek
Colorado River Water Transfer Application

Name	Position	Speaker	Written Comments
La Paz County Board of Supervisors			
Holly Irwin	Supervisor District 3 Board Chairman	Parker 11/20/20 Yuma 11/21/20	

You know, you're going to have a bunch of water that's going to be diverted. They're going to make millions, and it's going to be at La Paz County's expense again. And at some point this needs to stop. So I'm here representing the county. The Board of Supervisors this past Monday just passed a resolution opposing this transfer, and you will be receiving a signed copy of that as well to -- to submit to you, and I just wanted to state our position as a county, and, you know, we need to keep the water here and we need to keep it for our future, not for Maricopa, not for Pinal and not for Pima. (Parker)

I'm here today as one of three county supervisors in La Paz County, not only as a supervisor, but I actually reside in Cibola itself. As we all try to deal with the growing concerns and the use of the availability of water throughout the state, La Paz County has, once again, become the target for Central Arizona to go ahead and try to increase their economic development at our expense, along with the river communities. This will not only have a negative impact on our water, but it will negatively impact La Paz County and our economic growth, for special interests to make millions at our expense. Instead of looking to make a quick buck, go back and figure out a way to continue to develop in a responsible manner and not at the expense of La Paz County. La Paz County, along with the support of the County Supervisors Association, have passed resolutions opposing the fourth priority water transfer from GSC, LLC to the Town of Queen Creek. Please, Director Buschatzke, deny this transfer. It's not right. I think La Paz County has been taken advantage of enough dating back to our inception. (Yuma)

Cole Libera	Representing La Paz County Board of Supervisors	Phoenix 11/19/20
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At the time -- at a time when La Paz County groundwater is being depleted at an alarming rate, the notion of more water leaving La Paz County is utterly disheartening. And, to be clear, Arizona is not leaving Queen Creek without any water. There exists today other sources of water that are available to Queen Creek to provide water for Arizona's urban growth. Three examples are the Harquahala Basin -- sorry -- the Harquahala Basin offers water that can be obtained and transferred today to Queen Creek under Arizona law and under Arizona Revised Statutes Section 45-554. The second is the Central Arizona Groundwater Replenishment District, CAGRD, is available today for development in Queen Creek; and, indeed, CAGRD's latest member lands include lands in Queen Creek, Arizona. And, finally, Gila River Indian Community water is available today and the community has created an entity to lease water to other parties in Central Arizona called the Gila River Water Storage. (Phoenix)

La Paz County Resolution in opposition

#38

NOW THEREFORE, BE IT RESOLVED as follows:

1. The Board of Supervisors of La Paz County opposes any transfer of 4th Priority Colorado River water from the mainstem of the Colorado River to central Arizona as a continual attack on the water rights and continued economic growth and viability of rural Arizona.
2. The Board of Supervisors of La Paz County specifically opposes the contemplated transfer of 2,088 acre-feet of fourth priority water from La Paz County to the Town of Queen Creek in central Arizona and requests the Arizona Department of Water Resources to deny approval of said transfer and recommend the Secretary of the Interior deny approval of the transfer. (#38)

Name	Position	Speaker	Written Comments
Riley Carlock & Applewhite	Attorneys for La Paz County		#836

Some of the submissions offered in support of the Proposed Transfer also erroneously suggest that GSC's contractual water allotment is a "property right" that GSC is entitled to sever and sell at its discretion. These assertions are specious, as it is well-established that the rights obtained by those who contract with BoR for allocations of 4th Priority Colorado River Water pursuant to Section 5 of the Boulder Canyon Project Act of 1928 are simply contractual rights to the use of a defined quantity of water in a specified area for a defined purpose. In fact, Section 5 of the Act states that, "... the Secretary of the Interior is hereby authorized, under such general regulations as he may prescribe, to contract for the storage of water in said reservoir and for the delivery thereof at such points on the river and on said canal as may be agreed upon, for irrigation and domestic uses ... No **person shall have or be entitled to have the use for any purpose of the water** stored as aforesaid **except by contract** made as herein stated." 43 USC § 617d. (Emphasis added.)

The Act does not allow for the transfer of ownership to 4th Priority Colorado River Water to private users. In fact, the contracts entered into by the Secretary are subject to periodic review and cancellation if the water allocated thereunder is not being put to beneficial use; including the contract that GSC is proposing to transfer to the Town, which is subject to review every five years, and cancellation or reduction if the allotment is not being used.⁴ GSC does not have a property right in the water it proposes to transfer.

GSC has the right to use its water allocation in connection with its property, for so long as it complies with the terms and conditions of its contract with BoR. If GSC no longer needs that allocation, then it should be surrendered for reallocation in accordance with the Department's Substantive Policy Statement.⁵ Its effort to arrogate that contract right into a right of ownership is contrary to law and cannot be condoned. (#386)

**Legislative District 5
Officials, Leaders and Individuals
In Opposition to the
GSC Farm LLC/Town of Queen Creek
Colorado River Water Transfer Application**

Legislative District 5
Mohave County and La Paz County
and
County Supervisors Association
In Opposition to the
GSC Farm LLC/Queen Creek
Colorado River Water Transfer Application

Name	Position	Speaker	Written Comments
Sonny Borrelli (R)	Senator Majority Whip		#39

The long legal history of this particular allotment of Colorado River water dates back to the predecessor agency to the Arizona Department of Water Resources (DWR). The Arizona Water Commission specifically authorized the reservation 164,652 acre-feet of Fourth Priority Colorado River Water to the river communities. DWR recognized this reservation in a strongly worded statement in 1990 that "this water is to be reserved for future M&I use along the river... it is not to be considered as supplies available for any other purpose." Denying this transfer keeps the Department's position consistent, which is vital for its credibility.

Further, Greenstone mistakenly believes they have a property right to the water they want to transfer. They do not. They have a contract for the water's use on its Cibola land in La Paz County with the Bureau of Reclamation. Nowhere does this contract authorize Greenstone to transfer this water to Central Arizona. This is not a surface water right that they can sever and transfer. Federal law and the Bureau control the water.

Perhaps my most passionate argument rests in the damage this transfer will cause for the people of my district and inevitably all of rural Arizona if it goes through. That water is the economic lifeblood of the river communities and once it is gone, it will never return. If the Department breaks with precedent and allows the water to leave this or any rural region, those communities will begin fading away. Those residents, my constituents, who have made their lives in those areas, will be forced to relocate due to the dire economic consequences that will occur if this transfer happens. (#39)

Regina Cobb (R)	Representative Chairman House Appropriations Committee	Phoenix 11/19/20 Bullhead City 11/20/20 Parker 11/20/20
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I am emphatically opposed to the proposal before us today whereas Greenstone and Queen Creek propose to transfer a 20,088 -- or 2,088 acre-feet of the 4th priority waters into Central Arizona. I feel these transfers are destructive to the state and will create a large divide within our state. The Colorado River allocation was granted over 40 years ago in rural Arizona communities for their later development. Now you are allowing powerful, inherent interests to seep into that decision. Companies are free to invest in rural Arizona and are welcome, and I do welcome all their investments, but I do not welcome their investments solely to transfer water away from rural Arizona. Central Arizona already reserved over 90 percent of the Arizona 4th priority rights and now it has come for the last 10 percent. I cannot see this as anything more than arrogant and greed. As specifically -- as specifically reserved, 164,652 acre-feet or 9.89 percent of 4th priority for Arizona Colorado River communities should be left in Colorado -- in the Colorado River communities. In a letter dated February 28th, 1990, to Bureau of Reclamation from ADWR, the Department takes a position that it is in an equivocal position, the water is to be reserved for future M&I on the river. (Phoenix)

It was very difficult finding anything out about this company. It's a company out of Delaware. They are a water broker. They purchase properties, 450 acres in 2008, and then they purchased them again in 2000 -- another 40 acres in 2014, and then they also went in with El Mirage as a -- as a company that they went together and bought extinguishing -- extinguishing credits, and I think have sold those since, but there was about 29,000 plus extinguishing credits bought for \$150. So that's what they're doing. They're selling water. They're brokering water. They're not coming into our communities. They're not investing in our communities. (Bullhead City)

Name	Position	Speaker	Written Comments
<p>The other thing that he also pointed out is is that they will tell you it's not going to open up the floodgates. Who do you think is going to come in and who do you think is going to want to -- to not want to try to get their 4th priority rights taken off of the Colorado River and going into Central Phoenix or Central Maricopa County. They're all going to want to do that. (Parker)</p>			

Leo Biasiucci (R)	Representative		#1
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On behalf of the majority of my constituents in Legislative District 5, I voice my strong opposition to the proposed transfer of 2,088 acre-feet of Fourth Priority Colorado River water by GSC Farm, LLC ("Greenstone") to the Town of Queen Creek in Central Arizona via the Central Arizona Project canal. The reason for my opposition is relatively simple: this water belongs to the river communities. . . .Therefore, I urge the Department to follow the established precedent and reject this transfer; it represents far more than 2,088 acre-feet. (#1)

County Supervisors Association of Arizona

Russell McCloud	President County Supervisors Association		#3
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Resolution Opposing the Permanent Transfer of Any Fourth Priority Colorado River Rights not supported by Maricopa, Pima, or Pinal			#3
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NOW THEREFORE, BE IT RESOLVED, that the County Supervisors Association of Arizona does hereby oppose the permanent transfer of any Fourth Priority Colorado River Water rights or allocations designated to the Colorado River Communities of Arizona to the Central Arizona service area for use by any other entity. (#3)

EXHIBIT "B"

Speakers and Comments in Opposition
of the
GSC Farm, LLC/Town of Queen Creek
Application to Transfer Colorado River Water

Numbered Comments:	874
Comments in Support:	<u>-16</u>
Comments in Opposition:	858

Opposition referenced in Rebuttal

Legislators from LD 4, 5, and 13

Speakers	6
Comments	6
Mohave County	
Speakers	25
Comments	12
La Paz County	
Speakers	3
Comments	2
Yuma County	
Speakers	18
Comments	16

State Legislators

Senators	3
Representatives	4
Former Legislators	3

County Officials

Supervisors	10
County Authority's	2
Attorneys	4

City Officials

Mayors or Vice Mayors	7
Council Members	3
Town Managers	1

Irrigation Districts or Association

Presidents or Board Members	3
General Managers	2

Community Leaders and Associations

Chamber of Commerce or Economic Development	5
Other Leaders	10
County Supervisors Association	1